

2. Time-and-Materials (T&M) contracts ~~(including and Labor-Hour (LH) contracts)~~ are used when it is not possible to estimate accurately the extent *or duration of the work and or to anticipate costs with any reasonable degree of confidence.* ~~of work to be done. The T&M and LH contracts provides~~ no incentive to the contractor for cost control; therefore, the CAO shall perform surveillance on the contractor to assure that the contractor is performing efficiently and using effective cost control measures. Immediately after award, the ACO shall convene a government meeting with appropriate functional elements to establish a surveillance plan. This plan shall include performance of periodic audits of contractor's billings and periodic floor checks. The ACO shall pay special attention to the withhold applicable to the contractor's billings. *Billings shall be made by public voucher in accordance with the requirements of the Public Vouchers chapter.* ~~and is responsible for signing the contractor's requests for payment.~~

A. ~~A~~—References:

1. FAR 16.601, *Time-and-materials contracts*
2. FAR 16.602, *Labor-hour contracts*
- ~~3.~~ FAR 42.302(a)(7), ~~Approve Final Vouchers~~ *Determine allowability of costs and approve final vouchers*
- ~~24.~~ FAR 42.302(a)(9), Establish ~~F~~final ~~I~~indirect ~~C~~cost ~~R~~rates
- ~~35.~~ FAR 42.302(a)(65), Accomplish ~~A~~administrative ~~C~~closeout
6. *DFARS 242.803(b), Auditor receipt of voucher*
- ~~4.~~ ~~FAR 16.601, Time-and-Materials Contracts Procedures~~
- ~~5.~~ ~~FAR 16.602, Labor-Hour Contracts~~
- ~~6-7.~~ FAR 52.232-7, Payments under Time-and-Material and Labor-Hour Contracts
- ~~7.~~ ~~FAR 44.201-3, Other Prime Contracts~~

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